

CONTRACT FOR ON-CALL SERVICES
City of North Bend and BHC Consultants

This Agreement is entered into by and between the City of North Bend, Washington, a municipal corporation of the State of Washington, hereinafter referred to as "the City," and BHC Consultants LLC, hereinafter referred to as "the Consultant."

WHEREAS, the City has determined the need to have certain services performed for its citizens; and

WHEREAS, the City desires to have the Consultant perform such services pursuant to certain terms and conditions; NOW, THEREFORE,

IN CONSIDERATION OF the mutual benefits and conditions set forth below, the parties hereto agree as follows:

1. **Scope of Services to be Performed by Consultant.** The Consultant shall perform those services as directed by the Mayor, City Administrator or Director of Community and Economic Development Director including all Building Department services which may include building inspections, plan review, and other general services such building code updates and other necessary building department expertise. In performing such services, the Consultant shall at all times comply with all federal, state, and local statutes, rules, and ordinances applicable to the performance of such services and the handling of any funds used in connection therewith.
2. **Compensation and Method of Payment.** The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval. The Consultant will bill the City monthly based upon actual time expended and expenses incurred at the hourly rates for inspections and as otherwise described in Exhibit "A" with regard to plan review. The Consultant shall complete and return Exhibit "B", Taxpayer Identification Number, to the City prior to or along with the first billing invoice submittal.
3. **Duration of Agreement.** This Agreement shall be in full force and effect for a period commencing October 9, 2013 and ending December 31, 2013, unless sooner terminated under the provisions hereinafter specified. Upon expiration of the initial term of this Agreement, this Agreement shall automatically renew for additional one year terms; provided, the City may terminate the contract at any time with or without cause.
4. **Ownership, Form, and Use of Documents.** All documents, drawings, specifications, and other materials produced by the Consultant in connection with the services rendered under this Agreement shall be the property of the City whether the project for which they are made is executed or not. The Consultant shall provide to the City all final documents, reports, or studies in printed and electronic form. Unless

otherwise directed in writing by the City, all final documents, reports, or studies shall be provided to the City in both a PDF and Word format. Where applicable, all Complete Plan Set Drawings shall include all Specifications and shall be submitted to the City in the most updated version of AutoCAD in an unrestricted format and in accordance with City Code. The Consultant shall not be responsible for any use or modifications of said documents, drawings, specifications, or other materials by the City or its representatives for any purpose other than the project specified in the Agreement.

5. **Independent Consultant.** The Consultant and the City agree that the Consultant is an independent Consultant with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties hereto. Neither the Consultant nor any employee of the Consultant shall be entitled to any benefits accorded City employees by virtue of the services provided under this Agreement. The City shall not be responsible for paying, withholding, or otherwise deducting any customary state or federal payroll deductions, including but not limited to FICA, FUTA, state industrial insurance, state workers compensation, or otherwise assuming the duties of an employer with respect to the Consultant or any employee of the Consultant.
6. **Indemnification.** The Consultant shall indemnify, defend, and hold harmless the City, its officers, agents, and employees, from and against any and all claims, losses, or liability, including attorneys' and expert witness fees, arising from injury or death to persons or damage to property occasioned by any negligent act, omission, or failure of the Consultant, its officers, agents, and employees, in performing the work required by this Agreement. With respect to the performance of this Agreement and as to claims against the City, its officers, agents, and employees, the Consultant expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees, and agrees that the obligation to indemnify, defend, and hold harmless provided for in this paragraph extends to any claim brought by or on behalf of any employee of the Consultant. This waiver is mutually negotiated by the parties. This paragraph shall not apply to any damage resulting from the sole negligence of the City, its agents, and employees. To the extent that any of the damages referenced by this paragraph were caused by or resulted from the concurrent negligence of the City, its agents, or employees, this obligation to indemnify, defend, and hold harmless is valid and enforceable only to the extent of the negligence of the Consultant, its officers, agents, and employees.

Should a court of competent jurisdiction determine that this Contract is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence

7. **Insurance.**

- A. The Consultant shall procure and maintain in full force throughout the duration of the Agreement comprehensive general liability insurance with a minimum coverage of \$1,000,000 per occurrence/aggregate for personal injury and property damage. Said policy shall name the City of North Bend as an additional named insured and shall include a provision prohibiting cancellation or reduction in the amount of said policy except upon thirty (30) days prior written notice to the City. Cancellation of the required insurance shall automatically result in termination of this Agreement.
- B. In addition to the insurance provided for in Paragraph A above, the Consultant shall procure and maintain in full force professional liability insurance for those services delivered pursuant to this Agreement that, either directly through Consultant employees or indirectly through contractual or other arrangements with third parties, involve providing professional services. Such professional liability insurance shall be maintained in an amount not less than \$1,000,000 combined single limit per claim/aggregate. For the purposes of this Paragraph "professional services" shall include, but not be limited to, the provision of any services provided by any licensed professional.
- C. Certificates of coverage as required by Paragraphs A and B above shall be delivered to the City within fifteen (15) days of execution of this Agreement.

8. **Record Keeping and Reporting and "Red Flag" Rules.**

- A. The Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Consultant shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement and compliance with this Agreement.
- B. These records shall be maintained for a period of seven (7) years after termination hereof unless permission to destroy them is granted by the Office of the Archivist in accordance with RCW Chapter 40.14 and by the City.
- C. The Consultant has received, and shall adhere to, the City's Identity Theft Prevention Program ("Red Flag" rules) a copy of which is attached as Exhibit "C".

9. **Taxes, Licenses and Permits.**
- A. The Consultant shall procure and maintain a City Business License in accordance with NBMC Chapter 5.04, Business Licenses and Business and Occupation Tax, prior to beginning work under this agreement. The Consultant shall also ensure that, and be responsible for, all Consultants, sub-Consultants, and suppliers, obtain a City Business License.
 - B. The Consultant acknowledges that it is responsible for the payment of all charges and taxes applicable to the services performed under this Contract, including NBMC Chapters 5.04 and 5.05, and the Consultant agrees to comply with all applicable laws regarding the reporting of income, maintenance of records, and all other requirements and obligations imposed pursuant to applicable law. If the City does not receive, or is assessed, made liable, or responsible in any manner for such charges or taxes, the Consultant shall reimburse and hold the City harmless from such costs, including attorney's fees. The Consultant shall also require all Consultants, sub-Consultants, and suppliers, pay all charges and taxes in accordance with this section.
 - C. In the event the Consultant fails to pay any taxes, assessments, penalties, or fees imposed by the City or any other governmental body, then the Consultant authorizes the City to deduct and withhold and/or pay over to the appropriate governmental body those unpaid amounts upon demand by the governmental body. This provision shall, at a minimum, apply to taxes and fees imposed by City ordinance. Any such payments shall be deducted from the Consultant's total compensation.
10. **Audits and Inspections.** The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review, or audit by law during the performance of this Agreement. The City shall have the right to conduct an audit of the Consultant's financial statement and condition and to a copy of the results of any such audit or other examination performed by or on behalf of the Consultant.
11. **Termination.** This Agreement may at any time be terminated by the City upon giving to the Consultant thirty (30) days written notice of the City's intention to terminate the same. If the Consultant's insurance coverage is canceled for any reason, the City shall have the right to terminate this Agreement immediately.
12. **Discrimination Prohibited.** The Consultant shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Consultant under this Agreement on the basis of race, creed, color, national origin, marital status, sex, age, disability, or other circumstance prohibited by federal, state or local law or ordinance, except for a bona fide occupational qualification.

13. **Assignment and Subcontract.** The Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.
14. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind any of the parties hereto. Either party may request changes to the Agreement. Proposed changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement.
15. **Notices.** Notices to the City of North Bend shall be sent to the following address:

Londi Lindell, City Administrator
City of North Bend
P.O. Box 896
211 Main Avenue North
North Bend, Washington 98045
Phone Number: (206) 888-1211

Notices to the Consultant shall be sent to the following address:

BHC Consulting LLC
Attn: William Hill
1601 Fifth Avenue
Suite 500
Seattle, WA 98101
P: 206.505.3400
F: 206.505.3406

16. **Applicable Law; Venue; Attorneys' Fees.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorney and expert witness fees, and costs of suit.

CITY OF NORTH BEND, WASHINGTON

[CONSULTANT]

By:_____

Title: Kenneth G. Hearing, Mayor

Date_____

By:_____

Title: Craig Chambers, President

Date:_____

Attest/Authenticated:

Susie Oppedal, City Clerk

Approved As To Form:

Michael R. Kenyon, City Attorney

EXHIBIT A

SCOPE OF SERVICES

1. PLAN REVIEW

BHC will review plans submitted with building permit applications for structural and nonstructural code compliance in accordance with the currently adopted construction codes as adopted and amended by the state of Washington and City of North Bend (City), except that BHC will confer with the Building Official and his/her agent on any portion of the review that specifically requires the approval of the Building Official as specified in the code(s).

- A. The BHC will not design for the applicant, make any structural changes on the plans, or make any changes that directly contradict other information on the plans. Significant changes must be made by or under the direction of the applicant or design professional.
- B. Reviews shall be done by BHC, an approved representative, or an outside consultant. The name of the reviewer or outside consultant shall be submitted to the City upon request.
- C. If corrections or additions are required, the Consultant will write a review letter addressed to the applicant. This review letter will be sent to the City's agent. The City will then send the BHC review letter, along with any additional City requirements sent to the applicant. The correction letter will indicate to the applicant that they are required to submit the revisions/additions to the City per the submittal requirements for the permit type under review.
- D. BHC will indicate that the drawings have been reviewed and found to be in substantial compliance with applicable construction codes and ordinances. The reviewer's name and date of compliance will be affixed to each sheet in up to two sets of drawings including the cover sheet.
- E. Complete reviews will include structural, nonstructural, accessibility, energy, and ventilation requirements. Partial reviews will be indicated as either structural or nonstructural or as mutually agreed upon.

2. PROCESS:

- A. The City will determine which plans are to be reviewed by the Consultant.
- B. The City will intake, track, and process the permit applications and all revisions per current building and permit administration procedures.

- C. BHC will be responsible for the transportation and cost of returning permit review documents back to the City. The City will be responsible for the transportation and cost of delivering permit review documents to BHC.
- D. The Consultant will complete the initial review and will have either approved the application and notified the City of approval or contacted the applicant and the City with corrections within the time frames listed below:

Project Type	Initial Review	Re-Review
Single-Family	10 days (2 weeks)	5 days (1 week)
Multi-Family	15 days (3 weeks)	10 days (2 weeks)
Commercial	20 days (4 weeks)	15 days (3 weeks)

Turn-around for all other types of permit applications is to be negotiated.

- E. The Consultant will review any revisions or additional information and will either indicate compliance with the code(s) against which it was checked and notify the City of compliance, or if the drawings are still not complete, contact the applicant and the City with additional revision requests within the time frames specified above.
- F. The review time may be negotiated based on the number and complexity of projects to be reviewed. The Consultant will not be held responsible for delays beyond the Consultant's control. During heavy workloads or schedule delays, the Consultant shall notify the City of revisions to estimated target dates.

3. BUILDING INSPECTION SERVICES:

BHC will provide a certified building inspector to perform the following services:

- A. Upon authorization by the CITY, inspector will perform building inspection work for the City.
- B. At the request by the CITY, the inspector shall be asked to perform one or more of the following inspection tasks:
 - a. non-structural fire and life safety inspections
 - b. structural inspections
 - c. energy code inspections
 - d. barrier free inspections
 - e. mechanical & plumbing inspections
- C. Inspector will provide building inspections in accordance with the currently adopted International Codes, Washington State Building Code (WAC 51-50 and 51-51), and Energy Code (WAC 51-11), and the applicable City Building Codes, except that inspector will confer with the Building Official or his/her agent on any portion of the review that specifically requires an approval of the Building Official under the applicable Code(s), or that involves an unusual interpretation.

- D. Inspections will be done in accordance codes, ordinances and regulations in effect and will be performed in a courteous and professional manner. Up-to-date records of inspection status will be maintained on the job card in the field and on the office copy of the permit.
- E. CITY shall guarantee a minimum of four (4) hours inspection work each day inspection services are provided.
- 4. ADDITIONAL SERVICES REQUIRED:
 - A. Building Officials services can be provided for code interpretation and administrative needs such as ordinance review and update, staffing needs and department budget development and review.
 - B. Civil/Site plan reviews will be charged at the hourly rates shown in Labor Rate Schedule.
 - C. Pre permit plan review meetings to review code requirements and city department permit coordination will be charged at the hourly rates shown in Labor Rate Schedule.
 - D. Review of deferred submittals will be charged at the hourly rates shown in Labor Rate Schedule.
 - E. Revisions to plans that require additional plan review will be charged at the hourly rates shown in Labor Rate Schedule.
 - F. Attendance at meetings when requested by the CITY will be charged at the hourly rates shown in Labor Rate Schedule.
 - G. Fire Code, Fire Sprinkler, Fire Alarm plan reviews when requested by the CITY will be charged at the hourly rates shown in Labor Rate Schedule.
 - H. Separate (not part of full review) mechanical and plumbing plan reviews will be charged at the hourly rates shown in Labor Rate Schedule.

SCHEDULE OF RATES, CHARGES AND FEES

Classification	Hourly Rate
Building Inspector	\$80
Building Official/Inspections (Willie Hill)	\$95
Plan Reviewer - nonstructural	\$130
Structural P.E.	\$170
Civil/site plan review (P.E.)	\$130
Administration Assistance	\$75

1. PLAN REVIEW FEES:

The following fee schedule is intended to include the review of plans sent to BHC for review and approval. These will typically be for new construction and substantial remodel and alterations of both residential and commercial structures. Incidental over the counter plan review performed by BHC staff while onsite at the city will be included as part of the daily tasks performed at the hourly rate.

Residential:

Single Family Dwellings will be charged at 70% of City's collected Plan Review fee (complete review including structural, non-structural, mechanical, plumbing, State Energy, and applicable items in the City's Municipal Code .

At the request of the City and concurrence by Consultant, plan review fees may be determined to be charged at the hourly rate as identified in labor rate schedule as opposed to the following "fixed fee" rates.

Non-Residential:

A. Complete Plan Review

IBC Non-structural Fire & Life Safety + Structural, disabled accessibility and/or State Energy Code, IMC and/or UPC.

70% of the City collected Plan Review fee.

(\$250 minimum)

B. Partial Review:

Will consist of one of the following:

- IBC Non-structural Fire & Life Safety including mechanical/plumbing when issued as part of a combination building permit, and State Energy and Accessibility review

-OR-

- IBC Structural ONLY

40% of the building plan review fee calculated. (\$250 minimum)

C. Mechanical/Plumbing (issued as separate permit)

When permit for such work is issued separately from a building combination permit and permit fee is based on valuation of such work separate from building permit, fee will be assessed at the partial review percentage noted above. If permit fee is based on unit fee per the IMC or UPC, fee will be charged the hourly rate.

D. Civil/Site Plan Review will be charged at the hourly civil plan review rates.

These fees include the initial plan review plus one (1) recheck. When substantial revisions occur to previously reviewed and /or approved plans, additional fees shall be charged at the hourly rates shown in Labor Rate Schedule.

2. ADDITIONAL:
- A. All other review services and reviews in excess of two (the initial review plus one re-check) shall be paid on a time-and-expense basis using the hourly rate.
 - B. In-house plan review and other services will be provided as desired by the City and agreed upon by the Consultant on a time-and-expense basis using an hourly rate.
 - C. Valuation figures used to determine the plan review fees will be calculated based on the City's Fee Resolution. The plan review fee will be determined by the City and submitted to the Consultant for each project for review and approval.
 - D. Each billing statement will include the permit application number and owner or project name of the plans reviewed with the fee.
 - E. Billing statements will be issued for reviews that receive a complete initial review in the preceding month or other acceptable time period. A complete initial review shall constitute an earned fee for both City and Consultant.
 - F. The City shall have the right to withhold payment to the Consultant for any work not completed in a satisfactory manner until such time that the consultant modifies such work to the satisfaction of the City.
 - G. The cost of delivering plans for review to BHC will be incurred by the CITY. The cost of delivering reviewed plans back to city will be incurred by BHC.
 - H. Hourly rates shown are portal to portal from inspector's residence or the Seattle office, whichever is less for on-call services.
 - I. All mileage included by BHC inspector will be reimbursed at the most current IRS rate, currently .565 cents per mile. Mileage will not be assessed on travel using client supplied vehicle.
 - J. Consultant staff's normal work days are Monday through Friday (8am~5pm). Office work on Saturdays, Sundays or CITY Holidays will be performed only at specific request of the City. Billing for work performed outside normal work hours are on Saturdays, Sundays, or CITY Holidays shall be at 150% of the rates shown above.
 - K. This Schedule of Hourly Rates is effective as of January 1, 2013. Rates are subject to annual review.

EXHIBIT B

CITY OF NORTH BEND

P.O. Box 896

211 Main Avenue North

North Bend, WA 98045

Phone: (206) 888-1211

FAX: (206) 831-6200

TAX IDENTIFICATION NUMBER

In order for you to receive reimbursement from the City of North Bend, we must have either a Tax Identification Number or a Social Security Number. The Internal Revenue Code requires a Form 1099 for payments to every person or organization other than a corporation for services performed in the course of trade or business. Further, the law requires us to withhold 20% on reportable amounts paid to unincorporated persons who have not supplied us with their correct Tax Identification Number or Social Security Number.

Please complete the following information request form and return it to the City of North Bend before or along the submittal of the first billing voucher.

Please check the appropriate category:

☐ Corporation

☐ Partnership

☐ Government Agency

☐ Individual/Proprietor

☐ Other (please explain)

TIN#: --_-----

SS#: --_-----

Print Name: _____

Print Title: _____

Business Name: _____

Business Address: _____

Business Phone: _____

EXHIBIT C

CITY OF NORTH BEND IDENTITY THEFT PREVENTION PROGRAM

I. PROGRAM ADOPTION

The City of North Bend developed this Identity Theft Prevention Program (“Program”) pursuant to the Federal Trade Commission’s Red Flags Rule (“Rule”), which implements Sections 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003. This Program was developed with the oversight and approval of the City’s Finance Director. After consideration of the size and complexity of the City’s operations and account systems, and the nature and scope of the City’s activities, the City Council determined that this Program was appropriate for the City, and therefore approved this Program by the adoption of Ordinance No.1351 on the 21 day of April, 2009.

II. PROGRAM PURPOSE AND DEFINITIONS

A. Fulfilling Requirements of the Red Flags Rule.

Under the Red Flags Rule, every financial institution and creditor is required to establish an identity theft prevention program tailored to its size, complexity and the nature of its operation. The Program must contain reasonable policies and procedures to:

- Identify relevant red flags as defined in the Rule and this Program for new and existing covered accounts, and incorporate those red flags into the Program;
- Detect red flags that have been incorporated into the Program;
- Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
- Update the Program periodically to reflect changes in risks to customers or to the safety and soundness of the City from identity theft.

B. Red Flags Rule Definitions Used in this Program.

For the purposes of this Program, the following definitions apply:

Account. “Account” means a continuing relationship established by a person with a creditor to obtain a product or service for personal, family, household or business purposes.

Covered Account. A “covered account” means:

a. Any account the City offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and

b. Any other account the City offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the City from identity theft.

Creditor. “Creditor” has the same meaning as defined in Section 701 of the Equal Credit Opportunity Act, 15 U.S.C. 1691a, and includes a person or entity that arranges for the extension, renewal or continuation of credit, including the City.

Customer. A “customer” means a person or business entity that has a covered account with the City.

Financial Institution. “Financial institution” means a state or national bank, a state or federal savings and loan association, a mutual savings bank, a state or federal credit union, or any other entity that holds a “transaction account” belonging to a customer.

Identifying Information. “Identifying information” means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including name, address, telephone number, social security number, date of birth, government passport number, employer or taxpayer identification number or unique electronic identification number.

Identity Theft. “Identity theft” means fraud committed using the identifying information of another person.

Red Flag. A “red flag” means a pattern, practice, or specific activity that indicates the possible existence of identity theft.

Service Provider. “Service provider” means a person or business entity that provides a service directly to the City relating to or in connection with a covered account.

III. IDENTIFICATION OF RED FLAGS

In order to identify relevant red flags, the City shall review and consider the types of covered accounts that it offers and maintains, the methods it provides to open covered accounts, the methods it provides to access its covered accounts, and its previous experiences with identity theft. The City identifies the following red flags, in each of the listed categories:

A. Notification and Warnings from Credit Reporting Agencies - Red Flags.

- Report of fraud accompanying a credit report;

- Notice or report from a credit agency of a credit freeze on a customer or applicant;
- Notice or report from a credit agency of an active duty alert for an applicant; and
- Indication from a credit report of activity that is inconsistent with a customer's usual pattern or activity.

B. Suspicious Documents - Red Flags.

- Identification document or card that appears to be forged, altered or inauthentic;
- Identification document or card on which a person's photograph or physical description is not consistent with the person presenting the document;
- Other document with information that is not consistent with existing customer information (such as a person's signature on a check appears forged); and
- Application for service that appears to have been altered or forged.

C. Suspicious Personal Identifying Information -Red Flags.

- Identifying information presented that is inconsistent with other information the customer provides (such as inconsistent birth dates);
- Identifying information presented that is inconsistent with other sources of information (for instance, an address not matching an address on a driver's license);
- Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
- Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
- Social security number presented that is the same as one given by another customer;
- An address or phone number presented that is the same as that of another person;
- Failing to provide complete personal identifying information on an application when reminded to do so (**however, by law social security numbers must not be required**); and

- Identifying information which is not consistent with the information that is on file for the customer.

D. Suspicious Account Activity or Unusual Use of Account - Red Flags.

- Change of address for an account followed by a request to change the account holder's name;
- Payments stop on an otherwise consistently up-to-date account;
- Account used in a way that is not consistent with prior use (such as very high activity);
- Mail sent to the account holder is repeatedly returned as undeliverable;
- Notice to the City that a customer is not receiving mail sent by the City;
- Notice to the City that an account has unauthorized activity;
- Breach in the City's computer system security; and
- Unauthorized access to or use of customer account information.

E. Alerts from Others - Red Flag.

- Notice to the City from a customer, a victim of identity theft, a law enforcement authority or other person that it has opened or is maintaining a fraudulent account for a person engaged in identity theft.

IV. DETECTING RED FLAGS

A. New Accounts.

In order to detect any of the red flags identified above associated with the opening of a **new account**, City personnel will take the following steps to obtain and verify the identity of the person opening the account:

- Require certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification;
- Verify the customer's identity (for instance, review a driver's license or other identification card);
- Review documentation showing the existence of a business entity; and
- Independently contact the customer.

B. Existing Accounts.

In order to detect any of the red flags identified above for an **existing account**, City personnel will take the following steps to monitor transactions with an account:

- Verify the identification of customers if they request information (in person, via telephone, via facsimile, via email);
- Verify the validity of requests to change billing addresses; and
- Verify changes in banking information given for billing and payment purposes.

V. PREVENTING AND MITIGATING IDENTITY THEFT

In the event City personnel detect any identified red flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the red flag:

A. Prevent and Mitigate Identity Theft.

- Monitor a covered account for evidence of identity theft;
- Contact the customer with the covered account;
- Change any passwords or other security codes and devices that permit access to a covered account;
- Not open a new covered account;
- Close an existing covered account;
- Reopen a covered account with a new number;
- Not attempt to collect payment on a covered account;
- Notify the Finance Director for determination of the appropriate step(s) to take;
- Notify law enforcement; or
- Determine that no response is warranted under the particular circumstances.

B. Protect Customer Identifying Information.

In order to further prevent the likelihood of identity theft occurring with respect to City accounts, the City shall take the following steps with respect to its internal operating procedures to protect customer identifying information:

- Secure the City website but provide clear notice that the website is not secure;
- Undertake complete and secure destruction of paper documents and computer files containing customer information;
- Make office computers password protected and provide that computer screens lock after a set period of time;
- Keep offices clear of papers containing customer identifying information;
- Request only the last 4 digits of social security numbers (if any);
- Maintain computer virus protection up to date; and
- Require and keep only the kinds of customer information that are necessary for City purposes.

VI. PROGRAM ADMINISTRATION

A. Oversight.

The Finance Director or other designated city employee at the level of senior management shall be responsible for developing, implementing, and updating the Program.

The Finance Director shall also be responsible for the Program administration, for appropriate training of City staff on the Program, for reviewing the annual staff report required under the Program, as well as any other staff reports regarding the detection of red flags and the steps for preventing and mitigating identity theft, determining which steps of prevention and mitigation should be taken in particular circumstances, and considering periodic changes to the Program.

B. Staff Training and Reports.

City staff responsible for implementing the Program shall be trained either by or under the direction of the Finance Director in the detection of red flags, and the responsive steps to be taken when a red flag is detected. Additionally, a compliance report shall be provided annually to the Finance Director. The annual compliance report shall at a minimum address the following:

1. The effectiveness of the City's policies and procedures in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts;

2. Service provider arrangements;
3. Significant incidents involving identity theft and the City's response; and
4. Recommendations for material changes to the Program.

C. Service Provider Arrangements.

In the event the City engages a service provider to perform an activity in connection with one or more covered accounts, the City shall take the following steps to require that the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft.

- Require, by contract, that service providers acknowledge receipt and review of the Program and agree to perform their activities with respect to City covered accounts in compliance with the terms and conditions of the Program and with all instructions and directives issued by the Finance Director relative to the Program; or
- Require, by contract, that service providers acknowledge receipt and review of the Program and agree to perform their activities with respect to City covered accounts in compliance with the terms and conditions of the service provider's identity theft prevention program and will take appropriate action to prevent and mitigate identity theft; and that the service providers agree to report promptly to the City in writing if the service provider in connection with a City covered account detects an incident of actual or attempted identity theft or is unable to resolve one or more red flags that the service provider detects in connection with a covered account.

D. Customer Identifying Information and Public Disclosure.

The identifying information of City customers with covered accounts shall be kept confidential and shall be exempt from public disclosure to the maximum extent authorized by law, including RCW 42.56.230(4). The City Council also finds and determines that public disclosure of the City's specific practices to identify, detect, prevent, and mitigate identity theft may compromise the effectiveness of such practices and hereby direct that, under the Program, knowledge of such specific practices shall be limited to the Finance Director and those City employees and service providers who need to be aware of such practices for the purpose of preventing identity theft.

VII. PROGRAM UPDATES

The Program will be periodically reviewed and updated to reflect changes in risks to customers and to the safety and soundness of the City from identity theft. The Finance Director shall at least annually review the annual compliance report and consider the City's experiences with identity theft, changes in identity theft methods, changes in identity theft detection and prevention methods, changes in types of accounts the City maintains and

changes in the City's business arrangements with other entities and service providers. After considering these factors, the Finance Director shall determine whether changes to the Program, including the listing of red flags, are warranted. If warranted, the Finance Director shall present the recommended changes to the City Council for review and approval.